

Historic, archived document

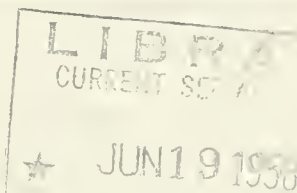
Do not assume content reflects current scientific knowledge, policies, or practices.

FOREIGN AGRICULTURE CIRCULAR

U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.



943
7627
reserve



FW 1-58
May 6, 1958

SOUTHERN HEMISPHERE WOOL

EXPORTS DECLINE

Summary

Exports of raw wool from the 5 major exporting countries declined 5 percent during July-December 1957 (includes October-December for Argentina and Uruguay) from the same period of 1956. Shipments from these countries, which accounted for more than 90 percent of total world trade in wool in 1956, were lower for all countries except Australia.

There was a very sharp decline in shipments from Uruguay and Argentina during the first quarter of the 1957-58 season, despite larger exportable supplies. The decline in exports from the Union of South Africa and New Zealand was less marked but still significant. Exports from Australia were slightly higher during the first half of the 1957-58 season but in the second half will probably be lower than in the previous season. A relatively large proportion of the Australian clip has already been sold and the drought has reduced available supplies.

The overall decline in exports from the Southern Hemisphere can be attributed to a decline in the rate of consumption in major consuming countries, especially the United States, the United Kingdom, and Japan, in the last half of 1957, and to the paralysis of wool shipments from Argentina and Uruguay. Shipments from the Southern Hemisphere to the 3 major destinations--the United Kingdom, France, and Japan--declined 19, 5, and 12 percent, respectively.

Dominion wool prices have declined steadily this season in contrast with the rising market trend of the previous season. The average price of merino 64's in March was the lowest since September 1949, and crossbred 50's were the lowest since June 1952. Values have approached minimum floor price levels in New Zealand and the Union of South Africa, where the respective Wool Boards have a minimum support price scheme. Wool purchases by the Wool Boards in each country up to the end of March were relatively small.

Australia

Shipments of raw wool from Australia during the first half of the 1957-58 season were 5 percent above the same period a year earlier. There was a sharp drop in exports to the United Kingdom, but increased trade with the Continent more than offset it. Exports to the United States were virtually at the same low level as in the previous season.

Production of wool in Australia in 1957-58 is now estimated at 1,463 million pounds, grease basis, compared with the July estimate of 1,603 million pounds and the 1956-57 output of 1,565 million pounds. The prolonged drought in 1957 necessitated a downward revision of the production estimate. It is likely that the 1958-59 clip will also be affected by the drought.

Since production was expected to increase when the wool offerings were originally scheduled, a large part of the clip was sold during the first half of the season. Stocks of wool in store awaiting sale at the end of February were 23 percent lower than a year earlier. Thus it would appear that exports during the second half of the season will be down substantially. Exports of raw wool in January totaled 103 million pounds, compared with 112 million pounds in January 1957.

Wool prices in Australia at the end of March were 25 to 30 percent below a year ago. The average auction price of all wool sold during July-February was 62.9 cents per pound, compared with 74.8 cents during the same period of the previous season.

New Zealand

Exports of raw wool from New Zealand during July-December were down slightly from the previous year, but still high in relation to other years. Shipments to the United Kingdom were down, but exports to the other major destinations--France, the United States, and West Germany--increased slightly.

Wool production in New Zealand is estimated at 497 million pounds, grease basis, about 1 percent above the 491 million pounds produced in 1956-57.

There were no significant stocks carried over from the previous season. Consumption by local mills has increased this season as a result of import restrictions on finished wool goods, but will continue small in relation to production.

Wool prices have dropped sharply in line with world prices and have reached the minimum floor price for some types. The average support price this season is 38 cents per pound, but each type has its own floor price. The New Zealand Wool Commission has purchased only about 1,500 bales, but has helped support the market by bidding on other lots.

Union of South Africa

Shipments of raw wool during July-December from the Union of South Africa were down 13 percent from a year earlier. France replaced the United Kingdom as the principal destination of South African wool exports, but shipments to both countries declined. There was a very sharp rise in exports to the Soviet Union. Shipments to the U.S.S.R. were over 6 times as great as in the previous season. Exports to West Germany and Japan were also down, while trade with Italy increased slightly.

The decline in exports this season follows a decline of equal proportions in wool offered for sale during the first half of the season. Adverse weather conditions--including severe drought in the Cape Midlands and Eastern Cape areas and too much rain which delayed shearing in some other areas--resulted in reduced offerings. Lower wool prices have also been a factor in the delay of sales, as some growers have reportedly held back their wool hoping for an upturn.

Wool production for the 1957-58 season was previously estimated by the South African Wool Board at 320 million pounds, including karakul. The present estimate is 2 percent less, or about 314 million pounds.

Stocks of unsold wool in warehouses at the close of 1957 were slightly higher than the previous year, and stocks of sold wool awaiting shipment were considerably higher. Total stocks of wool in warehouses on December 31, 1957, were 233,000 bales, compared with 213,000 bales a year earlier.

The South African Wool Board entered the wool market for the first time on March 5 under its new wool price-stabilization scheme. Purchases in March were small and will be resold later. The minimum average reserve price has been set at 40 cents per pound.

Argentina and Uruguay

There were several similarities in the wool situation in Argentina and Uruguay during the first quarter (October-December) of the 1957-58 season. The supply of wool available for export in both countries has been larger this season than last because of sizeable carryover stocks and estimated production increases. But exports from Argentina and Uruguay were down 55 and 73 percent, respectively, from the first quarter of the previous season.

Exports this season have been hindered by disagreements over the "aforo" systems of the two countries. The aforo value is a fixed minimum price for an exported item set by the government to determine the amount of exchange that must be surrendered by the exporter to the official exchange market. When these aforos are above world wool prices, as they generally were when the season opened in October, it is unprofitable for exporters to sell their wool abroad. In an attempt to force the government to reduce the aforos, growers refused to sell their wool. Some revisions were made but because of the decline in world prices they were ineffective in promoting exports.

WOOL: Exports from principal Southern Hemisphere countries,
1955-56 and 1956-57 seasons ^{1/}

Country of destination	(Actual Weight)										Total 5	
	Australia	New Zealand	Union of	South Africa	Argentina	Uruguay ^{2/}					Countries	
	1955-56:1956-57	1955-56:1956-57	1955-56:1956-57	1955-56:1956-57	1955-56:1956-57	1955-56:1956-57	1955-56:1956-57	1955-56:1956-57	1955-56:1956-57	1955-56:1956-57	1955-56:1956-57	1955-56:1956-57
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.
United States	65	51	46	33	24	17	85	69	34	9	254	179
United Kingdom	300	332	173	199	63	55	28	37	22	19	586	642
Canada	8	6	8	6	1	1	--	--	--	--	17	13
Continental Europe:												
France	205	222	66	82	50	47	34	30	13	7	368	388
Belgium	97	110	19	17	14	15	11	10	4	2	145	154
Germany, West	83	96	28	33	47	46	12	8	9	8	179	191
Italy	99	131	15	18	19	23	5	17	9	9	147	198
Netherlands	5	4	8	10	3	2	14	17	44	31	74	64
Sweden	3	2	2	1	--	--	--	--	6	1	11	4
Poland	22	32	9	14	1	--	4	5	1	1	37	52
Other	40	33	6	2	13	7	3	2	19	6	81	50
Total	554	630	153	177	147	140	83	89	105	65	1,042	1,101
Japan:.....	192	238	5	9	12	17	45	9	--	1	254	274
Other Near and												
Far East	4	8	2	3	--	--	--	--	1	--	7	11
Australia	--	--	5	5	--	--	--	--	0	0	5	5
U.S.S.R.	--	--	12	8	13	20	--	11	3	0	28	39
All other	29	38	2	2	1	2	5	3	1	1	38	46
Total	1,152	1,303	406	442	261	252	246	218	166	95	2,231	2,310

^{1/} Season beginning July 1 in Australia, New Zealand and Union of South Africa, and October 1 in Argentina and Uruguay. ^{2/} Bale weight estimated at 1,014 pounds.

Dash (--) indicates negligible amounts included with "others."

WOOL: Exports from principal Southern Hemisphere countries,
1956-57 and 1957-58 seasons through December ^{1/}

(Actual Weight)

Country of destination	Australia :1956-57:1957-58:	New Zealand :1956-57:1957-58:	Union of South Africa :1956-57:1957-58:	Argentina :1956-57:1957-58:	Uruguay ^{2/} :1956-57:1957-58:	Total 5 Countries :1956-57:1957-58:
	Mil.lb.:Mil.lb.:	Mil.lb.:Mil.lb.:	Mil.lb.:Mil.lb.:	Mil.lb.:Mil.lb.:	Mil.lb.:Mil.lb.:	Mil.lb.:Mil.lb.:
United States	18.3 : 19.0 :	18.3 : 20.8 :	7.8 : 5.3 :	11.1 : 14.5 :	3.1 : 0.2 :	62.0 : 56.4 :
United Kingdom	163.8 : 138.5 :	75.5 : 64.2 :	27.1 : 19.6 :	6.1 : 2.2 :	6.9 : 0.6 :	279.4 : 225.1 :
Canada	3.2 : 1.5 :	1.5 : 2.1 :	0.5 : 0.6 :	0.2 : 0 :	0 : 5.4 :	4.2 : 105.8 :
Japan	101.2 : 97.3 :	4.7 : 2.2 :	10.3 : 2.0 :	5.4 : 1.8 :	0.5 : -- :	119.6 : 19.8 :
U.S.S.R.	-- : -- :	0.8 : 0.8 :	2.6 : 17.9 :	2.5 : 0 :	1.1 : 5.1 :	19.8 : 19.8 :
Continental Europe:						
France	107.6 : 111.1 :	23.0 : 23.5 :	25.7 : 19.8 :	5.1 : 2.0 :	3.4 : 0.3 :	164.8 : 156.7 :
Belgium	51.2 : 50.9 :	5.0 : 5.0 :	6.8 : 4.8 :	1.9 : 0.7 :	0.3 : 0.2 :	65.2 : 61.6 :
Germany, West	38.2 : 45.4 :	10.9 : 13.0 :	21.3 : 17.0 :	1.3 : 0.5 :	1.7 : 0.5 :	73.4 : 76.4 :
Italy	52.1 : 71.2 :	6.3 : 4.2 :	11.2 : 11.7 :	3.2 : 0.6 :	2.5 : 1.0 :	75.3 : 88.7 :
Netherlands	2.1 : 1.7 :	4.0 : 2.4 :	1.0 : 0.7 :	4.2 : 1.0 :	14.5 : 1.0 :	25.8 : 6.8 :
Other	24.3 : 40.9 :	8.5 : 8.0 :	3.8 : 3.9 :	0.3 : 0.2 :	1.6 : 2.6 :	38.5 : 55.6 :
Total	275.5 : 321.2 :	57.7 : 56.1 :	69.8 : 57.9 :	16.0 : 5.0 :	24.1 : 5.6 :	443.1 : 445.8 :
Others	15.8 : 27.8 :	3.8 : 4.8 :	1.3 : 0.8 :	0.5 : 0.2 :	1.3 : 2.2 :	22.7 : 35.8 :
World total	577.8 : 605.3 :	159.0 : 153.5 :	119.4 : 104.1 :	45.2 : 20.3 :	35.9 : 9.7 :	937.3 : 892.9 :
Percentage of change from 1956-57	+4.8 :	-3.5 :	-12.8 :	-55.1 :	-73.0 :	-4.9 :

^{1/} Season begins July 1 in Australia, New Zealand and Union of South Africa, and October 1 in Argentina and Uruguay
^{2/} Bale weight estimated at 1,014 pounds.

Dash (--) indicates negligible amounts included with "others."

Recent measures appear to have been more effective in stimulating wool sales. In Argentina, aforos have been lowered, and the 8-percent export sales tax and 5-percent exchange retention have been abolished. In Uruguay, aforos have also been reduced.

January shipments of raw wool from Montevideo totaled 14.2 million pounds, of which 3.6 million pounds went to the Soviet Union. Although exports were larger than the total for October-December, they were still considerably below January 1957.

Wool production in Argentina is estimated at 409 million pounds in 1957-58, compared with 392 million pounds the previous season. The present Uruguayan clip is estimated at 209 million pounds, compared with 174 million pounds last season.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON 25, D. C.

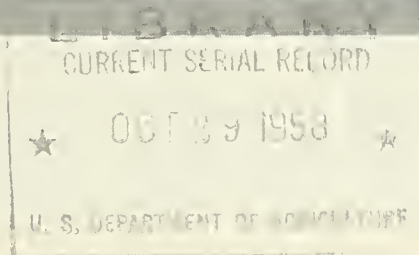
Penalty for Private Use to Avoid
Payment of Postage, \$300

OFFICIAL BUSINESS

11-43
627

FOREIGN AGRICULTURE CIRCULAR

U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.



FW 2-58
September 25, 1958

WORLD WOOL EXPORTS

INCREASE IN 1957

World exports of 2,627 million pounds, actual weight, of raw wool (excluding wool on the skin) in 1957 set a new record high for the second successive year and eclipsed the 1956 total by 2 percent. This does not include exports from Communist China or Outer Mongolia. U.S.S.R. import data indicates that shipments from these producing areas to the Soviet Union alone were over 50 million pounds in 1956.

Shipments from the 5 major producing countries of the Southern Hemisphere (Australia, New Zealand, South Africa, Argentina, and Uruguay) were up 1 percent over 1956, because of larger exports from Australia and New Zealand. These countries account for 85 percent of the world's raw wool exports. Total imports of raw wool by the 7 major consuming countries of the Free World also increased slightly in 1957, although imports by the United States fell 21 percent, and by the United Kingdom and Japan fell 3 percent.

The increased world exports were aided by continued strong demand from the major consuming countries in 1957. World wool consumption in 1957 is estimated by the Commonwealth Economic Committee at 2,889 million pounds, clean basis, 1 percent above the previous year's record. This includes a sharp rate of increase in the first half of the year and a decline in the second half which wiped out most of the gain. Mill use has continued to decline in 1958.

Wool prices reached a peak in May 1957 after a rise that had lasted almost a year and a half. Dominion wool prices then began to decline sharply and by May 1958 were 30 to 40 percent below a year earlier.

Rapid price changes normally do not materially affect shipments from the Dominions since wool is sold at auctions and moves freely into trade channels. In Uruguay and Argentina, however, exports are very erratic and

greatly affected by changes in prices or in the aforos or multiple exchange rates system. Exports from Argentina and Uruguay were relatively low in 1957 and thus far in 1958 and large stocks have been built up. Shipments may have been revived somewhat in Argentina following the elimination of aforos and the liberalization of exchange rates on August 1.

Outlook

The outlook for wool trade in 1958 is not favorable. Although supplies may be larger because of large stocks in South America, demand has weakened because of the recession in the wool textile industries in many important consuming countries. Consumption in the first half of 1958 by the 10 major countries which report to the International Wool Study Group was down 17 percent from the peak levels a year earlier. Imports into these countries were also down sharply.

Principal Exporting Countries

Australia: Exports of 1,331 million pounds of raw wool in 1957 were 59 percent of the world total. The volume was 14 percent above 1956 in spite of a 9 percent drop in wool production during the drought affected 1957-58 season. Exports in 1957 were unaffected by this drop in output because a larger-than-normal proportion of the clip was shipped in the first half of the season (July-December). The output decline is expected to continue in 1958-59.

New Zealand: Shipments of raw wool increased slightly in 1957 to 430.2 million pounds. The decline in prices has brought into play the floor price scheme of the New Zealand Wool Commission, which brought about 15 million pounds during the 1957-58 season. These stocks, plus an expected increase in production, will increase supplies during the coming auction season.

Union of South Africa: The Union was also hit by the drought in 1957 and exports fell 7 percent to 236 million pounds. Lower prices also affected wool exports during the closing months of 1957 as growers were reluctant to sell. The South African Wool Board purchased about 15 million pounds during March-June 1958. Production is expected to recover somewhat this season.

Argentina: Exports of raw wool in 1957 at 194 million pounds were 19 percent lower than in 1956. As in Uruguay, shipments have been adversely affected by disagreements over aforos and exchange rates. Under the aforo system, export evaluations were fixed by the Argentine government for each of the various types of wool exported. This determined the amount of exchange that was to be converted at the official exchange rate (18 pesos = U. S. dollar). If an exporter could sell at a price higher than the aforo, he could convert the difference at the free rate (now about 48 pesos = U. S. dollar); but when world prices went below the aforo value, it was unprofitable for exporters to sell their wool.

In an attempt to move the accumulated wool stocks before the new season begins in October, the Argentine Central Bank abandoned the aforo system

at the end of July. Exchange earnings from the sale of greasy wool can now be converted at the ratio of 65 percent at the official rate and 35 percent at the free rate. Earnings from sales of scoured and carbonized wool are convertible at 50 percent of the official rate and 50 percent of the free rate.

Uruguay: Exports of raw wool in 1957 were only 61 million pounds, less than half the quantity shipped in 1956. Shipments were virtually paralyzed from August 30 to December 5 by growers' refusal to sell until they were given more favorable export exchange rate treatment by the government. The aforos have been adjusted several times but these adjustments have not generally kept pace with the downward drift of world prices. It is not known what action, if any, Uruguayan authorities will take to move the large wool stocks.

Principal Importing Countries

United Kingdom: Total imports of raw wool in 1957 at 675 million pounds were down 3 percent from a year earlier. Of this total, 71 million pounds were re-exported. Thus retained imports were 604 million pounds. Reexports and exports of home-grown wool (29 million pounds) were also slightly lower than in 1956.

Total imports during the first 6 months of 1958 were 11 percent below the same period a year ago.

France: Wool imports in 1957 of 443 million pounds, were up 6 percent from a year earlier. In addition, France imports a considerable quantity of wool on the skins--estimated at 70 million pounds, grease basis, in 1957. Exports of 63 million pounds of raw wool in 1957 were largely scoured wool pulled from imported skins.

Wool imports in January-June 1958 were 23 percent lower than a year earlier.

Japan: Imports of raw wool at 275 million pounds in 1957 were 3 percent below the record level of 1956. Because of surplus stocks of wool products, the government enforced a curtailment of operations in the spinning of woolen yarn in July 1957 and in worsted yarn in December.

The import allocation for raw wool in fiscal 1958 (April-March) is 5 percent below the actual purchases in the previous fiscal year. Imports during January-May 1958 were 28 percent below a year earlier.

United States: Imports of raw wool in 1957 declined 21 percent to the lowest level since 1939, largely because of a recession in the U. S. wool textile industry which began in the summer of 1956. High wool prices and interest rates at that time encouraged a reduction of inventories of wool and wool products as wool consumption fell sharply in 1957.

Although apparel wool consumption has improved slightly since January, mill use of apparel and carpet wool during January-June 1958 were down 26 and

35 percent, respectively, from a year earlier. Total imports during January-May were down 23 percent.

West Germany: Raw wool imports increased for the third successive year reaching a new postwar peak. Imports of 259 million pounds were 9 percent above the 1956 total of 237 million pounds.

Imports during the first 4 months of 1958 were 32 percent below the same period a year ago.

Italy: Of the major importing countries, Italy showed the greatest increase in raw wool imports which jumped 41 percent to 250 million pounds in 1957. This reflected a sharp increase in wool consumption and larger exports of manufactured wool products.

Imports in the first 4 months of 1958 were down 8 percent.

Belgium: Imports of 189 million pounds in 1957 were maintained at the 1956 level which was the highest since 1950. As in most of the other major countries of Western Europe, activity in the wool textile industry began to slow down during the last half of 1957. This offset much of the gain in the first half.

Imports in January-April 1958 were 16 percent below the same months in 1957.

U.S.S.R.: No statistics are available on wool imports in 1957, other than exports from Western sources. According to a Soviet publication, wool imports in 1956 totaled 107 million pounds. Of this, 27 million pounds was fine wool imported mainly from Uruguay, South Africa, and New Zealand. Chief suppliers of coarse and semi-coarse wool--which accounted for more than half of the total wool imports--were Communist China and Outer Mongolia.

WOOL (Actual weight): International trade, average 1935-39, 1951-55, annual 1955-57

Continent and country	Average 1935-39		Average 1951-55		1955		1956		1957 1/	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
North America:										
Canada.....	1,000 pounds 6,241	1,000 pounds 19,337	1,000 pounds 2,603	1,000 pounds 26,625	1,000 pounds 2,389	1,000 pounds 22,293	1,000 pounds 2,865	1,000 pounds 25,880	1,000 pounds 3,249	1,000 pounds 19,512
Mexico.....	325	2,041	628	9,208	---	13,924	---	13,063	---	12,400
United States.....	325	224,498	628	141,069	285	352,991	291	344,850	2,452	273,800
Total.....	6,566	245,876	3,231	176,902	2,674	389,208	3,156	383,793	5,701	305,712
South America:										
Argentina.....	305,725	80	228,620	---	238,970	---	239,540	---	193,790	---
Brazil.....	10,151	3,781	12,496	2,846	12,659	87	12,557	761	9,367	63
Chile.....	23,335	769	12,495	1,764	4,354	536	15,650	249	21,400	3/
Colombia.....	36	59	---	1,692	---	2,690	---	2,216	---	3/
Falkland Islands.....	4,084	---	4,372	---	4,400	---	4,500	---	3/	---
Peru.....	5,130	---	3,486	---	347	---	1,500	---	3/	---
Uruguay.....	105,478	---	115,480	---	109,000	---	140,580	---	61,370	---
Total.....	454,071	4,857	376,949	6,302	369,730	3,313	444,327	3,226	291,427	2,113
Europe:										
Austria.....	1/ 5/ 183	44/5/20,900	66	10,681	6	14,452	17	16,518	96	17,028
Belgium-Luxembourg.....	---	226,345	29,383	115,629	32,690	163,574	34,096	188,943	34,705	189,332
Denmark.....	353	4,119	295	4,074	258	2,725	212	3,770	310	3,885
Finland.....	---	6/ 5,772	137	6/10,578	300	6/11,920	400	6/13,218	---	6/11,300
France.....	59,575	364,345	37,036	320,960	50,922	359,533	65,097	417,690	63,310	443,280
Germany, West.....	4/ 2,890	4/259,932	3,877	170,925	6,780	232,440	8,927	237,152	16,895	258,543
Greece.....	1,706	6/ 7,717	1,047	6/11,031	574	6/11,715	540	8,016	904	5,633
Iceland.....	1,512	---	800	40	1,132	100	1,400	100	1,000	100
Ireland.....	14,250	691	12,446	7,406	15,420	9,660	17,800	12,270	15,500	13,000
Italy.....	1,040	78,958	3,489	159,859	300	155,901	302	176,750	456	249,885
Netherlands.....	3,908	16,318	2,516	25,422	3,660	31,840	5,882	34,811	7,734	31,872
Norway.....	272	2,161	1,485	2,018	1,618	1,723	1,680	1,810	1,500	1,338
Portugal.....	2,188	3,377	2,185	4,093	1,612	6,431	1,106	5,733	1,500	8,600
Spain.....	7/ 2,195	12,236	212	4,207	9	6,259	---	14,200	---	6,700
Sweden.....	427	16,885	980	13,609	807	11,945	1,327	11,212	1,032	9,650
Switzerland.....	271	17,234	90	14,494	110	13,071	200	16,285	192	15,975
United Kingdom.....	38,600	869,893	24,920	687,200	29,055	721,300	29,725	699,320	28,509	675,542
Total West Europe.....	129,370	1,906,913	120,840	1,592,226	145,253	1,754,589	168,711	1,857,798	173,643	1,944,658
Bulgaria.....	4	1,693	---	1,190	---	1,545	---	3,706	---	3/
Czechoslovakia.....	44/5/ 1,050	44/5/34,776	---	3/	---	3/	---	3/	---	3/
Germany, East.....	---	---	---	1,725	---	1,890	---	1,835	---	3/
Hungary.....	839	2,126	44	5,265	24	7,873	---	5,450	---	5,400
Poland.....	80	46,045	---	3/	---	35,889	---	35,009	---	3/
Rumania.....	600	1,334	---	5,354	20	7,870	---	5,450	---	3/
Yugoslavia.....	1,443	8,179	1,856	8,694	1,700	9,800	2,100	9,200	2,400	10,100
Total East Europe.....	3,716	94,153	1,900	64,228	1,744	84,867	2,100	80,650	2,400	80,800
Total Europe.....	133,086	2,001,066	122,864	1,656,454	146,997	1,839,456	170,811	1,938,448	176,043	2,022,458

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON 25, D. C.

Official Business

Penalty for Private Use to Avoid
Payment of Postage, \$300

FOREIGN AGRICULTURE CIRCULAR

U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.



LIBRARY
CURRENT SERIAL RECORD

MAR 18 1958

FW 3-58
December 30, 1958

WORLD WOOL PRODUCTION

UP SLIGHTLY IN 1958

World wool production in 1958 (including the 1958-59 season in the Southern Hemisphere) is now estimated at 5,030 million pounds, grease basis. This is about 1 percent above 1957, but below the 1956 record. The estimate includes major revisions for the Soviet Union and Communist China. On a clean basis, world wool output is estimated at 2,865 million pounds in 1958 compared with 2,825 million in 1957.

World production declined in 1957--after 9 successive years of increases--because of drought in Australia and the Union of South Africa. The increase in 1958 is largely due to an expected rise in Australia following plentiful rains early this season, and a continued increase in the U.S.S.R. and New Zealand. A decline is expected in Argentina and Uruguay, and little improvement is expected in the Union of South Africa as the drought continues there.

WOOL: Estimated production by continents, greasy basis, averages 1936-40, 1946-50, 1951-55, and annual 1956-58

Continent	Average			Annual		
	1936-40	1946-50	1951-55	1956	1957	1958 ^{1/}
	Million	Million	Million	Million	Million	Million
	pounds	pounds	pounds	pounds	pounds	pounds
North America:	496.9	342.2	317.1	320.0	310.0	315.0
South America:	638.9	734.0	716.3	725.0	755.0	725.0
Europe	494.1	437.0	512.3	545.0	540.0	550.0
U.S.S.R.	310.0	319.0	447.4	549.0	572.0	600.0
Africa	336.8	281.9	364.7	405.0	385.0	385.0
Asia	344.2	355.6	417.0	470.0	475.0	475.0
Oceania	1,365.9	1,421.7	1,695.4	2,055.0	1,920.0	1,980.0
Total	3,988.0	3,892.0	4,470.0	5,070.0	4,955.0	5,030.0

^{1/} Preliminary

World demand during January-September 1958 was considerably below the same period of 1957. Raw wool consumption in the 10 countries which report quarterly to the International Wool Study Group was down 14 percent in the first 9 months of 1958.

World consumption in 1957 was estimated by the Commonwealth Economic Committee at a record 2,891 million pounds, clean basis, although mill use declined during the latter half of 1957. U. S. consumption is also down in 1958. Total mill use in January-September being 18 percent less than a year ago. However, the downward trend appears to have been halted as the rate of consumption has improved in recent months.

Wool prices have generally trended downward in 1958 continuing a decline which began in the second half of 1957. Prices at dominion auctions in November were about 15 to 25 percent lower than in January, compared with a 25 to 30 percent drop between May and December 1957. Until April 1958, crossbred values declined more than merinos but since then merinos have declined 20 percent while crossbreds have changed only slightly. Prices have been fairly stable since early October.

Wool production in North America is expected to be about the same as in 1957. The United States shorn wool clip was up 2 percent in 1958 to the highest level since 1947. However, buildup of sheep numbers, with fewer sheep and lambs moving to slaughter, will probably reduce the pulled wool output in 1958.

The 1958 output in South America is expected to be down slightly from 1957 but equal to 1956. The decline is due to smaller clips in Argentina and Uruguay but large carryover stocks in these countries will increase the total supplies available for export during the 1958-59 season (October-September). Output in Brazil and Chile is expected to continue the upward trend of recent years.

Western European production has been increasing slightly in recent years. Most of the gains have been in the United Kingdom and France, the largest consumers of wool. Indications point to a continued slight upward trend in these countries. There has been little change in output in Eastern Europe in recent years as slight increases in Poland and East Germany have been partly offset by declines in Yugoslavia and Bulgaria.

Wool production in the Union of South Africa, including Basutoland and South-West Africa, declined in the 1957-58 season (July-June) as a result of the drought in some areas. This marked the first drop since 1947. South African production increased from 214 million pounds in 1947 to 320 million in 1956 but fell to 299 million in 1957. Output in 1958 is not expected to recover significantly as the drought continues.

Wool production in Asia has increased materially since the war, largely due to a sharp increase in Communist China. Estimates for Communist China are based on official Communist statistics which show a sharp increase in the sheep and

WOOL: Production in specified countries, greasy basis, average 1951-55,
annual 1954-58 1/

Countries	: Average : : 1951-55 :	: 1954 :	: 1955 :	: 1956 :	: 1957 <u>2/</u> :	: 1958 <u>2/</u> :
	: Million : : pounds :	: Million : : pounds :	: Million : : pounds :	: Million : : pounds :	: Million : : pounds :	: Million : : pounds :
NORTH AMERICA:						
Canada.....	7.8 :	8.1 :	8.0 :	7.9 :	7.9 :	8.1 :
Mexico.....	11.7 :	9.9 :	8.8 :	9.0 :	9.6 :	10.0 :
United States <u>3/</u>	296.1 :	309.8 :	304.8 :	301.0 :	292.4 :	295.0 :
Total North America <u>4/ 5/</u> ..	315.0 :	330.0 :	325.0 :	320.0 :	310.0 :	315.0 :
SOUTH AMERICA:						
Argentina.....	393.0 :	365.0 :	363.0 :	392.0 :	408.5 :	388.0 :
Brazil.....	52.4 :	55.9 :	62.0 :	62.4 :	68.3 :	69.0 :
Chile.....	41.6 :	41.9 :	46.2 :	47.7 :	47.3 :	48.0 :
Falkland Islands.....	4.7 :	5.0 :	4.4 :	4.5 :	4.7 :	5.0 :
Peru.....	20.4 :	22.5 :	23.6 :	20.7 :	18.7 :	19.8 :
Uruguay.....	194.8 :	198.0 :	172.0 :	188.9 :	198.0 :	187.0 :
Total South America <u>5/ 6/</u> ..	720.0 :	700.0 :	685.0 :	725.0 :	755.0 :	725.0 :
EUROPE:						
France.....	52.2 :	56.0 :	56.0 :	60.0 :	61.6 :	64.4 :
Germany, West.....	13.3 :	11.9 :	11.7 :	10.5 :	10.4 :	10.5 :
Greece.....	20.8 :	23.2 :	23.4 :	23.4 :	23.8 :	23.9 :
Ireland.....	15.8 :	16.5 :	17.4 :	18.7 :	18.3 :	18.5 :
Italy.....	37.2 :	32.8 :	30.9 :	30.9 :	30.6 :	30.5 :
Netherlands.....	4.9 :	4.0 :	3.5 :	3.5 :	3.7 :	3.8 :
Norway.....	7.9 :	7.9 :	8.0 :	8.0 :	8.0 :	8.0 :
Portugal.....	22.4 :	22.7 :	22.7 :	24.0 :	25.0 :	25.0 :
Spain.....	84.6 :	88.2 :	79.4 :	83.8 :	75.0 :	77.2 :
United Kingdom.....	98.6 :	104.6 :	101.9 :	104.6 :	112.1 :	112.0 :
Total West Europe <u>5/ 7/</u> ..	370.0 :	380.0 :	365.0 :	375.0 :	375.0 :	385.0 :
Bulgaria.....	35.4 :	31.4 :	31.7 :	32.3 :	31.4 :	30.0 :
Germany, East <u>8/</u>	11.9 :	14.1 :	15.6 :	15.2 :	15.0 :	15.0 :
Hungary.....	12.4 :	12.1 :	12.6 :	14.4 :	14.8 :	14.0 :
Poland.....	14.5 :	19.7 :	21.7 :	21.5 :	22.0 :	22.0 :
Rumania.....	40.2 :	42.3 :	45.7 :	43.0 :	40.0 :	40.0 :
Yugoslavia.....	35.2 :	36.7 :	35.8 :	32.8 :	30.9 :	32.4 :
Total East Europe <u>5/ 9/</u>	160.0 :	165.0 :	175.0 :	170.0 :	165.0 :	165.0 :
Total Europe <u>5/</u>	530.0 :	545.0 :	540.0 :	545.0 :	540.0 :	550.0 :
U. S. S. R. (Europe and Asia).. <u>5/</u>	463.6 :	475.0 :	525.0 :	549.0 :	572.0 :	600.0 :
AFRICA:						
Algeria.....	16.4 :	18.6 :	18.8 :	18.8 :	19.0 :	19.0 :
Egypt.....	7.5 :	8.0 :	8.0 :	8.0 :	8.0 :	8.0 :
Morocco.....	33.0 :	32.0 :	36.0 :	37.4 :	35.2 :	37.4 :
Tunisia.....	7.8 :	8.8 :	8.4 :	8.4 :	8.5 :	8.5 :
Union of South Africa <u>10/</u>	286.9 :	305.5 :	313.8 :	319.7 :	298.7 :	300.0 :
Total Africa <u>5/ 11/</u>	365.0 :	385.0 :	400.0 :	405.0 :	385.0 :	385.0 :

WOOL: Production in specified countries, greasy basis, average 1951-55,
annual 1954-58 1/--Continued

Countries	: Average : : 1951-55 :	1954	1955	1956	1957 <u>2/</u>	1958 <u>2/</u>
	: Million : : pounds :	: Million : : pounds :	: Million : : pounds :	: Million : : pounds :	: Million : : pounds :	: Million : : pounds :
ASIA:						
Iran.....	38.2	38.6	43.0	44.0	43.0	44.0
Iraq.....	24.0	24.7	25.0	26.0	28.4	29.0
Syria.....	19.0	20.5	<u>19.4</u>	20.7	20.7	20.7
Turkey (Europe and Asia)....	78.6	79.7	78.8	85.1	83.8	79.4
China, Mainland <u>12/</u>	95.0	110.0	114.0	126.0	132.0	133.0
India.....	72.0	72.0	72.0	72.0	74.0	74.0
Japan.....	6.0	6.0	8.4	8.4	8.6	8.7
Pakistan.....	30.0	28.0	29.0	29.5	29.5	30.0
Total Asia <u>5/</u> <u>13/</u>	420.0	435.0	445.0	470.0	475.0	475.0
OCEANIA:						
Australia.....	1,261.3	1,282.7	1,417.4	1,564.3	1,426.0	1,475.0
New Zealand.....	433.5	455.0	461.7	490.6	496.0	505.0
Total Oceania <u>5/</u>	1,695.0	1,740.0	1,880.0	2,055.0	1,920.0	1,980.0
Total World. <u>5/</u>	4,510.0	4,610.0	4,800.0	5,070.0	4,955.0	5,030.0

1/ For summary purposes wool produced mostly in the spring in the Northern Hemisphere is combined with that produced in the season beginning July 1 or October 1 of the same year in the Southern Hemisphere. Pulled wool is included for most countries at its greasy equivalent. 2/ Preliminary. 3/ Converted "pulled wool" to greasy basis at 1.7.

4/ Includes estimates for Hawaii, Greenland, Guatemala, and Cuba. 5/ Rounded to fives of millions. 6/ Includes estimates for Bolivia, Colombia, Ecuador, Paraguay, and Venezuela. 7/ Includes estimates for Austria, Belgium-Luxembourg, Denmark, Finland Iceland, Malta, Sweden, and Switzerland. 8/ Includes state collections only, actual weight basis, does not include private sales, if any. 9/ Includes estimates for Albania and Czechoslovakia. 10/ Includes Basutoland and South West Africa. 11/ Includes estimates for Ethiopia and Eritrea, Libya, French West Africa and Togo, and Kenya. 12/ Includes China proper (22 provinces) Manchuria, Jehol, Sinkiang (Turkestan), and Tibet. 13/ Includes estimates for Cyprus, Israel, Jordan, Lebanon, Outer Mongolia, Afghanistan, and Nepal.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U. S. Agricultural Attaches and Foreign Service Officers, results of office research and related information. Estimates for countries having changed boundaries have been adjusted to present boundaries except as noted.--November 1958.

goat population through 1957 but little change for 1958. About half of the total sheep and goat numbers are believed to be sheep. In Turkey the postwar upward trend has been reversed in the last 2 years as a result of the foot-and-mouth disease epidemic in 1957.

In the U.S.S.R., wool production is expected to reach 600 million pounds in 1958, an increase of 60 percent since 1950 because of a sharp increase in sheep numbers and improvement in the quality of the clip (see Foreign Crops and Markets, August 11, 1958). Estimates of production for the U.S.S.R. have been revised in line with Soviet statistics on sheep numbers and recent fragmentary information on average wool yields per sheep. The figures differ somewhat from the Soviet official data on wool production because it is believed that these include camel wool or hair.

Australia and New Zealand have accounted for the major part of the sharp postwar increase in wool production prior to 1957. Between 1945 and 1956, output in these countries, which account for 40 percent of the world total, increased 67 and 35 percent, respectively. The Australian drought in the 1957-58 season (July-June) halted this upward trend as production was reduced from 1,564 million pounds to 1,426 million, although the reduction in sheep numbers was negligible.

The official production forecast of 1,386 million pounds for 1958-59 has not been revised, but the Foreign Agricultural Service now estimates this clip at 1,475 million pounds because fleece weights are reportedly higher this year. This is attributed to favorable growing conditions and to rainy weather which has delayed shearing so that many fleeces will have more than a year's growth. New Zealand is expected to continue its upward wool production trend in 1958. The recent drought there will probably not affect production this season. It may affect next season's clip, however.



UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON 25, D. C.

Official Business

Penalty for Private Use to Avoid
Payment of Postage, \$300